COMMISSION MEMBERS

GORDON H. AIKEN, Q.C.
Chairman

RONALD SOBIER, Q.C.
Vice-Chairman
representing the Progressive Conservative Party

WARREN R. BAILIE
Chief Election Officer of Ontario

PENNY DICKENS
representing the New Democratic Party

H. DONALD GUTHRIE, Q.C.
representing the Progressive Conservative Party

LAURA LEGGE, Q.C.
Bencher of the Law Society of Upper Canada

WILLIAM P. SCANDLAN
representing the New Democratic Party

BARBARA SULLIVAN
representing the Ontario Liberal Party

WALDEMAR ZIMMERMAN
representing the Ontario Liberal Party

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Donald A. Joynt, C.A.	Executive Director
Robert B. Dobson	Registrar
Anna B. Stevenson, Q.C.	Research Director
Edward W. Allen	Assistant Registrar
Daphne Check	Audit Assistant
Judie Fitzpatrick	Office Manager
Millie Petrus	Admin. Assistant to Chairman
Maria Kovacs	Secretary to Registrar

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Ontario

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(416) 965-0455

March 27, 1985

The Honourable John M. Turner,
Speaker of the Legislature,
Room 193,
Legislative Building,
Queen's Park,
Toronto, Ontario.

Dear Mr. Speaker:

I have the honour to submit the Tenth Annual Report of the Commission on Election Contributions and Expenses which covers the year 1984.

This report is submitted pursuant to section 4(2) of the Election Finances Reform Act.

Yours very truly,

Gordon H. Aiken,
Chairman.

GHA/mp

Encl:

This report, which is prepared pursuant to section 4(2) of the Election Finances Reform Act, covers the activities of the Commission for the calendar year 1984.

The Commission on Election Contributions and Expenses was established under the authority of the Election Finances Reform Act, enacted by the Legislature of Ontario in May 1975, to ensure compliance with the requirements of the Act by political parties, constituency associations and candidates and also by the individuals, corporations and trade unions wishing to support financially the political party of their choice.

The Commission's responsibilities under this Act extend further to ensuring that trust funds held prior to the Act coming into force are properly accounted for and that each political party establish and maintain a foundation for the purpose of managing certain assets held prior to registration.

In 1978 the Commission received the additional duty following the Legislature's amendment of section 11 of the Legislative Assembly Act to annually "review and make such recommendations that it considers proper in respect to the indemnities and allowances of Members of the Assembly".

Our report for the year, therefore, covers the conduct of the Commission's responsibilities under the two Legislative authorities.

THE COMMISSION

The responsibilities for administration of the requirements of the Election Finances Reform Act and the

additional duty under section 11 of the Legislative Assembly Act rests with a Commission which is composed of:

1. A Chairman who is appointed by the Lieutenant Governor in Council for a term of not more than ten years.

2. Six persons who are appointed by the Lieutenant Governor in Council for a term of not more that five years and who have been appointed pursuant to the provision of section 2(1)(a) namely "two persons as nominees of each political party that is represented in the Assembly by four or more members of the Assembly and nominated candidates in at least 50 per cent of the electoral districts in the most recent general election, on the recommendation of the leader of the party".

3. A bencher of the Law Society of Upper Canada who is appointed by the Lieutenant Governor in Council for a term of not more than five years to hold office only while he remains a bencher, and

4. The Chief Election Officer.

A listing of the Commission Members at December 31, 1984 and of earlier appointments is contained in Appendix I.

The Commission met 10 times during the year and in the conduct of its responsibilities under the Election Finances Reform Act the Commission has used its best endeavours to persuade and encourage persons and parties to observe the Act and conform to its requirements. This attitude and approach has been effective in reducing to a minimum the disciplining functions of the Commission.

PART 1
THE ELECTION FINANCES REFORM ACT

Our report on matters related to responsibilities of the Commission under this Act must consider what has transpired in relation to the recommended amendments to the Act, the registration or de-registration of political parties and constituency associations, annual audited statement approvals, by-election campaign activity, and various other matters which received the consideration of the Commission.

AMENDMENTS TO THE ACT

One of the duties of the Commission as set forth in section 4(1)(f) of the Act is to "recommend any amendments to this Act that the Commission considers advisable" and pursuant to this direction, the Commission has from time to time sent forward to the Speaker of the Legislative Assembly a number of proposed amendments dealing mainly with the administrative areas of the Act - leaving policy matters for determination by the elected Members of the Legislature.

Late in 1984, in view of the fact that amending legislation previously recommended had not been considered by the Legislature, the Commission decided that a section by section review of the Act should be undertaken. Work in that regard was commenced by the Commission staff, to include not only amendments previously approved by the Commission, but other proposals to bring the Act up to date in view of experiences over the past ten years. The review continued in January, 1985 and culminated in a special all day meeting of the Commission on Saturday, February 2nd, 1985, when several unresolved issues were considered and settled. A total package of amendments was agreed to and will be drafted and submitted to the Legislature through the Speaker of the House for consideration. Some of the problem areas are discussed later in this report.

REGISTERED POLITICAL PARTIES AND CONSTITUENCY ASSOCIATIONS

The number of registered political parties increased from seven in 1983 to eight when the petition for registration by The Green Party was found in compliance with section 10(2)(d) of the Act. The registered political parties are the Progressive Conservative Party of Ontario, Ontario Liberal Party, New Democratic Party of Ontario, Communist Party of Canada (Ontario), Ontario Libertarian Party, Northern Ontario Heritage Party, the Freedom Party of Ontario and The Green Party of Ontario.

There remain 21 political groups seeking to register as political parties by the petitioning process but none of the political groups has yet submitted the completed petition required under section 10(2)(d).

The two additional political groups who have obtained Commission approval of the Party name and who are seeking registration by the petitioning process are:

1. The Humanist Party of Ontario
2. The Christian Ethics Party.

A full listing of registered political parties and approved party names is set forth in Appendix A.

The total number of registered constituency associations at December 31, 1984 is 418 compared to 414 at December 31, 1983.

Appendix B of the report indicates the electoral districts in which each registered political party has a registered constituency association at December 31, 1984.

The Commission's work in respect to the registration of

political parties and constituency associations does not cease with the delivery by the Party or Association of the registration details required under sections 10(3) and 11(2) because it is also a requirement of section 10(6) and 11(4) that the Commission be notified of any alteration in the registered information within 30 days of any such alteration.

While most of the constituency associations conform to this requirement, there have been instances where the Commission's lines of communication with constituency associations have broken down because of changes in the appointment of chief financial officers or other executives, and the Commission has not been notified.

To ensure conformance, therefore, with the requirements of sections 10(6) and 11(4) the Commission has instituted a periodic follow-up with each constituency association to ensure that registration details are current.

1983 ANNUAL RETURNS

Each year the Commission conducts a program urging chief financial officers and auditors to deliver the audited annual statements of their party or constituency association to the Commission not later than the deadline date of May 31st.

The program commences with a mailing of the required reporting form with a covering letter the second week of January, a couple of follow-up letters over the ensuing three months and finally in the month of May telephone calls are made to those chief financial officers and auditors from whom returns have not been received urging them to deliver the required statements by the deadline date.

While our staff is confident that this program is the best that can be instituted under the present legislation, the chief financial officers of 49 of the 414 constituency associations failed to file the annual statement by the May 31st deadline.

An apparently valid reason for the late filing has been given in each instance and therefore, the Commission has not given its consent to the prosecution of the persons involved, although the Commission is required by section 4(1)(g) of the Act to report any apparent contraventions to the Attorney General. In each case the Commission has sent a letter reprimanding the officials responsible for the late filing for their dilatory performance.

Since the majority of the late filing situations occur when there has been a change in the chief financial officer appointment mid-year and the new encumbent is unfamiliar with what transpired prior to his appointment, it is expected that a greater percentage of on-time filings will be experienced should the Act be amended in keeping with one of the Commission's recommendations. This would require a chief financial officer who ceases to hold office to file with the Commission an audited statement for his period of office not covered by a previous audited statement rendered to the Commission.

In examining the audited financial statements received, there are instances where contraventions came to the attention of the Commission staff and which in accordance with the Commission's policy, the Commission staff seeks to have corrected to conform with the requirements of the Act. The contraventions generally encountered are the failure of a chief financial officer to issue a receipt for every contribution accepted, the acceptance of cash contributions in

excess of the $10 limit on cash contributions, the failure to list every contributor who made contributions totalling in excess of $100 in the year in the listing submitted with the return, the acceptance of contributions from unincorporated associations when the Act stipulates that the contribution can only be accepted in the name of the persons who shared in the contribution, and goods and services valued at $100 or less have been recorded as a contribution contrary to the provisions of section 22(2) of the Act.

The Commission continues to be administratively helpful as a matter of policy, which is in keeping with the requirement of section 4(1)(a) of the Act, namely, that the Commission shall

> "assist political parties, constituency associations and candidates registered under this Act in the preparation of returns required under this Act."

Financial details assembled from the 1983 Annual Returns filed by constituency associations indicate that in the annual reporting period constituency associations had receipts totalling $4,455,160 and expenditures of $3,261,165 - a net surplus of receipts over expenses for the year of $1,193,995. Details are set forth in Appendix D of this Report. The accumulated surplus at December 31, 1982 of all constituency associations registered with the Commission totalled $3,289,868.

Similar details of political party financial activity in the 1983 annual reporting period are provided in Appendix C.

In addition to the 1983 annual returns of constituency associations and political parties, the Commission received

and approved the Annual Expenditure Reports of the Foundation established by the Progressive Conservative Party and the Ontario Liberal Party pursuant to the requirements of section 40, as well as the six remaining trust funds established pursuant to section 1(4) of the Act.

BY-ELECTION CAMPAIGN ACTIVITY

The campaign period in respect to the by-election held in the electoral district of Stormont, Dundas & Glengarry on December 15, 1983 ended on April 15, 1984. Pursuant to the requirements of section 43(2) audited statements of campaign period receipts and expenses were received by the deadline filing date of June 15, 1984 from each of the four candidates who registered with the Commission in respect to the by-election, the four registered constituency associations in the electoral district and from three of the seven registered parties who received contributions or incurred expenditures in relation to the by-election.

Each of the audited statements rendered to the Comaission has been approved by the Commission and where applicable, candidate expense and audit fee subsidies have been paid.

Details of the by-election campaign period receipts and expenses of the four registered candidates are provided in Appendix G and of the three registered parties in Appendix F.

During the year the Lieutenant Governor of the Province issued a Writ on October 29th, calling for by-elections in the electoral districts of Hamilton Centre, Ottawa East, Ottawa Centre, Prescott & Russell and Wentworth North with the polling day being held on December 13, 1984.

The calling of the by-election brought on the usual additional activity related to the registration of the candidates and the mailing of guidelines and official receipt forms to each candidate's chief financial officer.

There were two complaints received in respect to campaign advertisements being placed in newspapers prior to the two day restricted period. Both situations were investigated and determined to have been an unintentional contravention of the Act.

The campaign period for the five by-elections does not end until April 13th, 1985 - (four months after polling day) and consequently the financial details of the campaign of each of the candidates registered for the by-elections, the registered political parties and the registered constituency associations in the electoral districts will not be known until the campaign period statements are filed with the Commission on or before the deadline date of June 13, 1985.

Appendix H contains a listing of the general and by-elections called since the Election Finances Reform Act came into force.

THIRD PARTY ADVERTISING

Early in 1984, the provisions of the Canada Elections Act which prohibit anyone other than a candidate from incurring election expenses during an election period came under attack from the National Citizens Coalition and others. Our Commission immediately issued a bulletin advising that there is no similar prohibition in the Ontario law.

While limitations are placed on campaign advertising by a political party, a registered constituency association and a registered candidate, they do not apply to prohibit or limit advertising by unregistered persons or groups. On the surface, this appears unfair to the registered political parties and candidates, and this was the reason for the federal legislation. However, there has been no suggestion that anyone has made unreasonable use of the privilege, and there has been no move by anyone in Ontario to limit third party advertising during an election.

There are some limitations on advertising by third parties and unregistered groups in Ontario. They do not have any tax benefit on contributions they receive. They are subject to the Broadcasting Act (Canada) which prohibits advertising on election day or the day preceding. And if they are, in fact, acting with consent to assist a registered candidate, association or party, their costs must be included in the total campaign advertising of those on whose behalf they act.

On June 25th, 1984, an Alberta Supreme Court Judge ruled the federal law unconstitutional. No appeal was taken from this judgment and the federal election proceeded as if the law had not been passed. A committee of the House of Commons is currently considering this whole matter.

The Ontario Election Finances law is presently under revision, but there has been no proposal to prevent "third party advertising" during an election campaign.

POLITICAL GROUPS WITH OBJECTIVES OUTSIDE ONTARIO

Early in 1984 the Commission dealt with the matter of political groups or parties in Ontario whose objectives lie

outside the province. The particular event to which the Commission's attention was drawn concerned an unregistered "party" having its headquarters in Ontario, whose purpose was a change of government in Guyana.

The situation drew to the Commission's attention that there is no general statement of purpose in the Election Finances Reform Act. Section 10(1) of the Act simply states that no political party .... shall accept contributions for the purposes of the political party .... unless registered under the Act. It was recognized that there are a great many groups organized in Ontario by persons interested in the political affairs of other countries. Some call themselves political parties. In the absence of a political party being defined in the Act, the Commission had to determine the extent of its responsibility for the registration of such groups. It considered the matter, took legal advice, and decided that "political party" as used in section 10(1) has a limited definition confined to the election of representatives to the Ontario Legislature, or to influence the parties of the Legislature.

With specific reference to the Guyana group, the Commission decided that the Act was not designed to supervise political parties with foreign objectives, unless those parties should become involved in Ontario politics.

MUNICIPAL ELECTIONS

The Commission has no supervision over, control of, or responsibility for municipal elections. Yet the matter keeps coming up for discussion constantly.

The direct problem concerns payments by a constituency

association towards the election of municipal candidates. The Commission has always taken the view that it has no control over how an association spends its money, once contributions are regularly received. But what about an association which solicits contributions specifically to support municipal candidates? The Commission has ruled that such funds are not for the general purposes of the association, and are really accepted in trust for the municipal candidates. As such, receipts cannot be given for tax purposes. This follows the general rule already expressed that the primary purpose of the Act relates to electing representatives to the Ontario Legislature. The staff monitors such payments to determine that only proper contributions are receipted.

The second area of interest is a movement in some municipal councils to permit tax deductions for contributions to municipal candidates. At least one of the reports has suggested a role for the Commission in enforcement of the legislation. The suggestion is prompted by the reluctance of municipal clerks to monitor, or lay charges against their own councillors. The Commission has done some research on the subject and has had discussions with various interested persons, but nothing positive has developed. At this moment we are ready to respond to any requests for advice or assistance, but the Commission is not actively seeking a role in municipal elections.

INFORMATION AND PUBLIC RELATIONS

Possibly, the greatest challenge to the Commission is to keep the chief financial officers, candidates, fund-raisers and party workers informed of the requirements of the Election Finances Reform Act. Limitations on the amount of

contributions that may be made, for example, are straightforward, but the Act contains a great many provisions to close possible "loopholes." Strictures against cash contributions, unreported donations of goods and services, advertising provided by third parties, anonymous contributions and using another person's money are all included for a purpose. In some other jurisdictions, these "dodges" are openly used to avoid control and disclosure of political contributions. The Act was well designed in Ontario, but for a beginner the rules appear complicated. And we have a lot of beginners. Each year new C.F.O.'s are appointed without too much accounting experience, and without knowing what they have signed up for. And they are all volunteers for their party. So we must do our best to make the rules understandable. New candidates, party officials and auditors also need help. And even the old-timers, the ten year veterans, run into new problems all the time.

The Commission has taken up several new initiatives to assist. During February, March and April, 1984, we held 20 educational seminars throughout Ontario. Nine were in Northern Ontario, two in our Toronto offices and the other nine were held throughout Southern Ontario. The Commission sent two staff members to each seminar. A total of 341 persons from 191 constituency associations attended, including C.F.O.'s, party officials, auditors, and M.P.P.'s. The seminars not only provided a two-way exchange of information between our staff and those they deal with, but an opportunity to meet the people at the other end of the telephone line. It has made communication between government employee and the public much easier.

At the first of 1984 also, we began publishing a quarterly bulletin. This contains news items, current information and notices on election financing. We now have a

circulation of about 1600. Officially titled "Election Finance Reporter", it also carries a logo "The Bagman." We have tried to make something light of a potentially serious business.

A new publication, "Pocket Guide to Election Finances Law of Ontario" made its appearance in 1984. This is a consolidation in a small booklet, of the responsibilities of candidates, constituency associations, chief financial officers, and fund-raisers, with a special section on campaign advertising. It gives an outline of duties, and alerts the different people to their responsibilities. We also provide a rather frightening set of guidelines for chief financial officers when they are appointed. The guidelines are instructions, directions and rulings developed by the Commission over the past ten years, for detailed enquiry. They take up about 115 pages in a loose leaf binder.

All these efforts began to pay off in 1984. For the first time all 415 of our chief financial officers had their association annual returns for 1983, due on May 31st, filed by midsummer. Some had to be prodded with threats of de-registration, quite a few had errors, but no flagrant or intentional contraventions were discovered.

This push to get all returns filed accurately and on time is not just officiousness on the Commission's part. We have a computer compliance program to undertake. For example, any person, corporation or trade union may contribute in the year up to $500. to any constituency association, but each may give up to a total of $2,000. to any number of associations of the same party. Until all returns are in, we cannot verify whether someone contributed more than the $2,000. total allowed.

There is also a rule that two or more corporations

associated in a legal sense have the contribution limits of one corporation. We cannot check all corporate contributions until all returns are in for all associations and parties.

The big push for prompt filings went well in 1984. We hope it will continue in 1985 and beyond.

PARTY LEADERSHIP CONVENTIONS

Subsection 1(3) of the Election Finances Reform Act states "This Act does not apply to campaigns and conventions carried on or held in relation to the leadership of any registered party .... "The clear intention of the legislation was that funds raised and expended in a leadership event would not be supervised by the Commission nor disclosed to the public; and that the tax benefits for political contributions would not apply. But totally undefined were a number of practical matters that keep causing problems for the Commission, parties, local associations and leadership candidates.

The first arises when a constituency association decides to use its funds to support a leadership candidate. It is obvious here that tax deducted funds are being used for a leadership campaign. However, the Commission has ruled that once contributions to an association have been properly received for the general purposes of the association, the Commission has no right to direct how the money should be spent. Therefore, no breach of the Act has occurred. On the other hand, an association cannot solicit funds specifically to support a leadership candidate and give receipts. These are not general funds of the association, but are held in trust for the candidate and are beyond the direction of the association. Further, they are raised specifically for a purpose disqualified for receipts. The distinction between

funds raised in the normal course for general purposes, and funds specially solicited to support a leadership candidate, is not always easy for associations to understand or for the Commission to apply. But the basic rule is clear. When the Commission finds a payment to a leadership campaign in an association's annual statement, it investigates the source of the funds, and applies the above rules.

The second undefined situation is where a constituency association sends delegates to a leadership convention. There is probably no more common expenditure of a local association's money, nor a more provincially political cause. Yet the basic direction of the money is a leadership convention. In what cases do contributions qualify for tax deductible receipts? Once again, there is no problem where the funds have already been raised for the general purposes of the association. The receipts have already been issued. However, in cases where delegates are expected to pay their own delegate fees and expenses, but are permitted to "launder" them through the association for a tax deduction, or where a condition of being a delegate requires repayment of delegate fees to the association, the contribution to the association is clearly not tax deductible. In between is the case where a delegate to a leadership convention is also a normal contributor to the association. The Commission is suggesting an amendment to the Act to clarify this situation.

A leadership convention is normally run by the provincial party. Ideally, the convention would pay for itself through registration fees, concessions and other revenue. But, of course, that seldom happens. There seems to be no problem if the party pays any short-fall through regular contributions. But what happens to a surplus? The Commission is suggesting that leadership conventions be run through leadership accounts, which would remain separate from regular funds, and would carry forward its profits or losses from convention to convention.

The three parties represented in the legislature have all had recent leadership conventions. The Commission hopes that amendment of the existing legislation will clear up these questions before another convention is held.

COMPARATIVE STUDIES

Any organization is bound to examine its operations and effectiveness continually, and one way is comparison with others doing the same type of work. Our Commission feels that it has been given good direction by the Legislature, and that it is carrying out its mandate. But have others developed better procedures?

The Commission sends delegates each year to two organizations. The first is the Conference of Canadian Election Officials, held annually in different locations across Canada. Traditionally, the Executive Director and the Registrar attend, and in recent years, the Chairman. Three days of discussion with election officers and election finance officials in a Canadian setting keep us abreast of current events at the federal level and in the provinces. Ontario is the only jurisdiction with a special commission on election finances and we find that this gives us some expertise in the subject. But others are experimenting with new techniques, and we find their experiences beneficial.

The international organization is the Conference on Government Ethics Laws (COGEL) composed of United States and Canadian bodies which supervise ethics in government. Almost every state and province create separate responsibilities. Some combine elections and election finances; some combine election finances and ethical conduct in government; some set standards of disclosure for elected officials and government

employees. Each body has tremendous responsibility in its effort to maintain public confidence in the electoral system through limits on financing, disclosure of sources and regulation of ethical conduct. Our Commission sends at least one delegate to each conference, more if the circumstances require. Lessons learned at these conferences can support ideas in our own Commission. We can see the problems with Political Action Committees in the United States as a result of prohibiting contributions by corporations. We can see the result of failure to provide the safeguards we have in Ontario.

In the same context, our Commission has a high reputation among these bodies for the publications we produce. In 1984, we published a 370 page volume "Comparative Survey of Election Finance Legislation" which has been totally subscribed, and is now, unfortunately, out of stock. And at the end of 1984, beginning the tenth year of our existence, we published a booklet "The Commission Ten Years Later, Reflections on Political Financing in Ontario." This volume was ready for the Tenth Anniversary celebration on February 13th, 1985, and we still have copies available free on request.

"JUMPING THE GUN"

The Commission is constantly dealing with complaints against candidates at elections and by-elections who commence activities before the legal date.

FUND RAISING:

No contributions can be accepted for a candidate unless such candidate is registered with the Commission. And no

candidate registration is effective until election Writs are issued. Therefore, no matter how early a candidate receives the party nomination, nor how anxious he or she may be to get going, fund-raising, and by inference campaign spending, may not commence until the election is called. A campaign committee, a "committee to elect", or a candidate may not accept contributions, nor undertake campaign expenditures, prior to the Writ. These restrictions do not affect the year-round right of a constituency association to raise funds and to make expenditures to advance the prospects of a proposed candidate; provided the constituency association alone is involved. In such a case, the association may give a receipt for contributions and expend the money as its executive decides. A candidate is not eligible to receive contributions until the election Writs are issued, and then only through his C.F.O.

There is no prohibition against the publication of pamphlets or manufacturing and distributing buttons, ribbons or other such material at any time, even during an election period, by the constituency association. Ontario laws are very open on this matter. The only limit is on "campaign advertising" which we deal with next.

CAMPAIGN ADVERTISING

Campaign advertising may be briefly described as broadcasting or publishing an advertisement which promotes, or opposes, any registered party or candidate during an election period. It also includes the use of outdoor advertising facilities. Campaign advertising may be carried on from the 22nd day before polling until midnight the second day before polling only.

The total expenditure on campaign advertising during

this period by a candidate and his or her constituency association is 25-cents per name on the revised voters list for the electoral district.

This restriction does not prevent the advertisement of administrative information such as public meetings, the location of constituency headquarters and services to voters respecting enumeration and list revision. Nor does it prevent a weekly newspaper, which normally publishes the day before polling date from publishing a campaign advertisement on that date.

The time and expenditure limits were put there to give some equality of opportunity to all candidates in the very important field of advertising. They are, therefore, most carefully observed. Accidents do happen, particularly in a rush of enthusiasm by campaign organizers, and the Commission will consider the circumstances in each case. However, mistakes are an embarrassment to the candidate and subject to penalty by the Commission, and should be avoided by instructions to all workers.

During the by-elections in 1984, two cases of premature newspaper advertising were reported and dealt with. Just prior to preparation of this report two complaints have been received of premature fund-raising by candidates for an election which has not been called. We expect others.

CONTRAVENTIONS

Anyone who fails to carry out any requirement of the Election Finances Reform Act is guilty of an offence and subject to a fine. By far the most prevalent contravention is late filing. Annual returns for the previous year must be filed by constituency associations and parties by May 31st in

each year. Campaign period filings by parties, associations and candidates must reach the Commission within six months after polling date. This permits fund-raising to pay off election debts after the election. Failure to file on time makes a delinquent person, association, or party subject to prosecution and a fine. But even more serious is the right of the Commission to deregister a party or association in default. Deregistration prohibits any fund-raising, or expenditures, requires return of contribution receipt forms and deprives a party candidate of a supporting organization. Very serious indeed, and the Commission has been using its deregistration authority with increasing effectiveness.

Another type of contravention is excess contributions. The Act sets out limits on the amounts a person, corporation, or trade union may contribute to a political party, constituency association, or candidate. Individual rules are fairly easy to follow: You can give $2,000. in any year to a registered party; and $500. to a constituency association (up to a total of $2,000. to associations of one party); and during a campaign period an additional $2,000. to the party and $500. to a registered candidate (up to a total of $2,000. for candidates of any party). Most people who contribute know these limits. But then, after giving the maximum, they attend a fund-raising dinner for which receipts are given. That sends them over the top. The Commission requires that such overpayments be refunded to the donor by the recipient. That's a penalty in its own. And if we find evidence of intent, a prosecution or deregistration may be instituted.

Cash contributions are presently limited to $10. Any amount over that must be by cheque or money order. How do we find out? The auditors must report contraventions, and they are easily found on deposit slips and receipts. Anonymous contributions cannot be accepted by a chief financial officer. If the contributor is in fact unknown, the

contribution must be paid over to the Commission. If he is known, the contribution must be refunded. Two or more associated corporations are considered as one for the purpose of contributions. Any overpayment must be refunded. How do we know? The Commission uses a computer system which matches corporations in several particulars, and areas of similarity are followed up by individual enquiries. The penalty, in addition to refund of overpayment, is prosecution or deregistration of an association where intent is indicated.

The Act incorporating our Commission says that we shall assist political parties, constituency associations and candidates in the preparation of returns required under the Act. The framers of this law knew that we would be dealing with volunteers. We must take that into account first. On the other hand, we are also required to report any apparent contraventions to the Attorney-General with our recommendation for prosecutions. Between these two requirements, the Commission attempts to maintain a fair balance.

PART II
THE LEGISLATIVE ASSEMBLY ACT
MEMBERS INDEMNITIES AND ALLOWANCES

The Commission in December 1978 was given the responsibility of making such recommendations as it considered appropriate with regard to the indemnities and allowances of Members of the Assembly and in respect of the salaries and allowances of Party Leaders, Cabinet Ministers and Parliamentary Assistants.

Reports setting out the recommendations of the

Commission were submitted to the Speaker on June 14, 1979, December 12, 1979, March 26, 1980, February 3, 1981, March 5, 1982 and February 23, 1983. The Seventh Report submitted March 30, 1984 followed the Government's Guideline with respect to financial restraint and recommended that all indemnities and allowances be increased by not more than five percent. The Legislature adopted this recommendation.

In its report, the Commission noted that substantial increases in several areas could well be justified, but nevertheless, the intent and effect of the Government's Guideline with respect to financial restraint was considered to be paramount.

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The financial operations of the Commission for the calendar year 1984 were as follows:

SUMMARY OF PAYMENTS DURING CALENDAR YEAR

(rounded to nearest $100)

A. Administrative and Operating Expenses	
Commission Members' Fees and Chairman's Salary	$ 64,500.
Staff Salaries, Casual Help and Employee Benefits	310,900.
Travel, Accommodation and Communication	28,200.
Legal, Audit and Other Professional Services	3,300.
Office Rental	86,200.
Advertising, Pamphlets, Stationery and Office Supplies	45,800.
Total	$538,900.
B. Subsidies*	
Public Funding of Candidates' Expenses	$ 10,600.
Subsidy Paid to Auditors	100,200.
Total	$110,800.
Grand Total	$649,700.

* The subsidy paid to auditors and public funding of candidates' expenses are statutory items provided for respectively by sections 41 and 45 of the Act.

The Members of the Commission appreciate the efforts made by all parties, constituency associations and candidates, and their chief financial officers, auditors and officials to comply with the provisions of the Act, making the work of the Commission and staff more pleasant and productive. The Commission Members also noted with pleasure the special interest taken by the Members of the Assembly in the seminars, publications and other efforts by the Commission to keep everyone informed of the requirements of the Election FinancesReform Act.

Respectfully submitted this 27th day of March 1985.

Gordon H. Aiken, Q.C.,
Chairman

Ronald E. Sobier, Q.C.
Vice-Chairman

Warren R. Baillie

Penny Dickens

H. Donald Guthrie, Q.C.

Laura Legge, Q.C.

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Barbara Sullivan

Waldemar Zimmerman

LISTING OF REGISTERED POLITICAL PARTIES IN ONTARIO
AND POLITICAL PARTIES WHO HAVE APPLIED FOR APPROVAL OF A PARTY NAME

A. REGISTERED POLITICAL PARTIES IN ONTARIO

(i) Political Parties deemed to be registered as of 3:00 o'clock in the afternoon on the 13th day of February, 1975 - Section 13(1)

1. Progressive Conservative Party of Ontario
2. Ontario Liberal Party
3. New Democratic Party of Ontario

(ii) Political Parties registered through the petitioning process provided by Section 10(2)(d)

1. Communist Party of Canada (Ontario) - registered on August 19th, 1975
2. Ontario Libertarian Party - registered on August 18th, 1976
3. Northern Ontario Heritage Party - registered on October 19th, 1977
4. Freedom Party of Ontario - Unparty Party (Ontario) registered on November 26, 1980, renamed January 1, 1984
5. The Green Party of Ontario - registered on July 4, 1984

B. POLITICAL PARTIES WHO HAVE OBTAINED COMMISSION APPROVAL OF THE PARTY NAME BUT HAVE NOT SUBMITTED PETITIONS AS REQUIRED BY SECTION 10(2)(d) OF THE ELECTION FINANCES REFORM ACT

1. Ontario Republican Party - date of application - December 16th, 1975
2. Ontario Social Credit Party - date of application - February 17th, 1977
3. Unity Canada Party - date of application - February 28th, 1977
4. Nationalist Party of Canada - date of application - July 10th, 1977 (see note)
5. Progressive Environmental Party of Ontario - date of application - December 30th, 1977
6. The Moral Political Party - date of application - January 20th, 1978
7. Women's Party - date of application - May 16th, 1978
8. The Detente Party of Canada - date of application - June 5th, 1978
9. Feminist Party of Canada - date of application - January 30th, 1980
10. The Enterprise Party - date of application - March 26th, 1980

11. Political Science Consensus Party of Ontario - date of application - May 19th, 1980
12. The United Party of Canada - date of application - August 1?th, 1980
13. National Unity Party - date of application - January 2nd, 1981
14. Self-Help Ontario Political Services (S.H.O.P.S.) - date of application - March 24th, 1981
15. Christian Credit Party of Ontario - date of application - January 13th, 1982
16. Multicultur(ism) Party of Canada (MTC) - date of application - January 22nd, 1982
17. World Wide Disarmament Party of Canada (W.W.D.) - date of application - May 7th, 1982
18. Christian Reform Party of Canada - date of application - December 17th, 1982
19. The Social Credit Association of Ontario - date of application - May 30th, 1983
20. The Humanist Party of Ontario - date of application - July 30th, 1984
21. Christian Ethics Party (CEP) - date of application - October 23rd, 1984

C. POLITICAL PARTIES WHO REQUESTED COMMISSION APPROVAL OF THE PARTY NAME BUT THE APPLICATION WAS REJECTED PURSUANT TO SECTION 10(5) AS THE NAME RESEMBLED THE NAME OF A REGISTERED PARTY

1. Workers' Communist Party - date of application - February 7th, 1980
2. WCP/PCO - date of application - April 8th, 1981

NOTE: The Nationalist Party of Canada submitted a petition which was rejected by the Commission at its meeting held December 13th, 1978. An extended examination of the petition failed to produce adequate information for the Commission to conclude that the petition met the requirements of the Act by the provision of 10,000 valid signatures in support of the petition. Unanimously, the Commission passed the motion that:

> "The petition for registration of the Nationalist Party of Canada be rejected, further that the letter from the Chairman advising the Nationalist Party of Canada that its petition had been rejected contain a summary of the Commission's findings with respect to the validity of the petition".

New petition forms were supplied to the Nationalist Party of Canada on March 16th, 1979.

REGISTERED POLITICAL PARTY CONSTITUENCY ASSOCIATIONS IN THE 125 ELECTORAL DISTRICTS IN ONTARIO AS OF DECEMBER 31, 1984

Registered Constituency Associations at January 1, 1984				
Progressive Conservative Party of Ontario			125	
Ontario Liberal Party			125	
New Democratic Party of Ontario			124	
Communist Party of Canada (Ontario)			24	
Ontario Libertarian Party			10	
Freedom Party of Ontario			6	414
Additions during 1984				
(1) Re-registered upon compliance with sect.14(6)				
Nipissing N.D.P. Association - April 25			1	
(2) New registrations				
- Libertarian Party Associations of:				
Wentworth North	May	14		
St. George	Oct.	16	2	
- Green Party Associations of:				
Brock	Dec.	24		
Kingston & The Islands	Oct.	25		
Peterborough	Sept.	19		
Wentworth North	Dec.	28		
Bellwoods	Dec.	27		
Eglinton	Dec.	18		
High Park-Swansea	Dec.	28		
Riverdale	Nov.	6		
St. Andrew-St. Patrick	Aug.	2	9	12
				426
Deletions during 1984				
Voluntary de-registration pursuant to s.14(1) & 14(7):				
- Libertarian Party Associations of:				
Frontenac-Addington	Apr.	25		
Kingston & The Islands	Apr.	25		
St. George	March	7		
Scarborough Centre	Apr.	25	4	
- Freedom Party Associations of:				
Niagara Falls	Apr.	25		
Beaches-Woodbine	Sept.	12		
Eglinton	Apr.	25		
York East	Apr.	25	4	8
Registered Constituency Associations at December 31, 1984				
Progressive Conservative Party of Ontario			125	
Ontario Liberal Party			125	
New Democratic Party of Ontario			125	
Communist Party of Canada (Ontario)			24	
Ontario Libertarian Party			8	
Freedom Party of Ontario			2	
The Green Party			9	418

Note:

(1) The Northern Ontario Heritage Party had no registered constituency associations in 1983 or 1984.

(2) The Ottawa South Freedom Party Associations' voluntary de-registration is in process.

Appendix "C"

FINANCIAL DATA EXTRACTED FROM REGISTERED POLITICAL PARTY
1983 ANNUAL FINANCIAL STATEMENTS FILED WITH THE COMMISSION

A. STATEMENT OF RECEIPTS & EXPENSES	PROGRESSIVE CONSERVATIVE PARTY $	ONTARIO LIBERAL PARTY $	NEW DEMOCRATIC PARTY $	COMMUNIST PARTY (ONTARIO) $	ONTARIO LIBERTARIAN PARTY $	NORTHERN ONTARIO HERITAGE PARTY $	FREEDOM PARTY OF ONTARIO $
Receipts							
Net Contributions	2,684,041	705,338	1,304,094	24,882	29,370	-	9,966
Transfers from Constituency Associations and Others	179,000	169,262	822,751	3,086	570	-	33
Other receipts	142,376	98,023	99,686	68	8,800	-	5,320
	3,005,417	972,623	2,226,531	28,036	38,740	-	15,319
Expenses							
Expenses excluding transfers paid out to candidates and constituency associations	2,909,837	816,616	1,125,655	24,344	35,967	79	15,423
Transfer paid out	-	52,216	1,058,279	-	125	-	-
Total	2,909,837	868,832	2,183,934	24,344	36,092	79	15,423
Excess of Receipts Over Expenses	95,580	103,791	42,597	3,692	2,648	(79)	(104)
Add: Surplus (Deficit) from prior reporting period (Net after adjustments)	(2,672,516)	(861,270)	(175,256)	719	8,194	(170)	1,303
Add: Excess of Campaign Receipts over Expenses	(36,206)	15,880	(5,495)	-	-	-	-
Surplus (Deficit) at December 31, 1983	(2,613,142)	(741,599)	(138,154)	4,411	10,842	(249)	1,199
B. STATEMENTS OF ASSETS AND LIABILITIES AT DEC. 31/83							
Assets							
Current Assets	347,944	58,934	192,445	4,711	6,391	1	1,299
Fixed Assets	1	1	1	-	1	-	-
Other	40,171	4,835	6,677	434	5,450	-	-
Total	388,116	63,770	199,123	5,145	11,842	1	1,299
LIABILITIES							
Current Liabilities	3,001,258	805,369	337,277	734	1,000	250	100
Surplus (Deficit)	(2,613,142)	(741,599)	(138,154)	4,411	10,842	(249)	1,199
Total	388,116	63,770	199,123	5,145	11,842	1	1,299

SUMMARY OF FINANCIAL DATA REPORTED IN REGISTERED CONSTITUENCY ASSOCIATION

1983 ANNUAL FINANCIAL STATEMENTS FILED WITH THE COMMISSION

	Progressive Conservative Party	Ontario Liberal Party	New Democratic Party	Communist Party (Ontario)	Ontario Libertarian Party	Northern Ontario Heritage Party	Freedom Party (Ontario)
Number of Registered Constituency Associations at December 31, 1983	125	125	125	24	10	-	5
	$	$	$	$	$	$	$
Total Receipts	2,357,028	725,888	1,358,599	10,631	2,578	-	436
Total Expenses	1,601,521	496,496	1,150,470	9,739	2,546	-	393
Excess (Shortfall) of Receipts over Expenses	755,507	229,392	208,129	892	32	-	43
Total Assets	2,661,362	509,007	527,536	3,183	2,977	-	341
Total Liabilities	164,247	99,306	150,712	-	233	-	40
Surplus (Deficit) at December 31st, 1983	2,497,115	409,701	376,824	3,183	2,744	-	301

COMMISSION ON ELECTION CONTRIBUTIONS AND EXPENSES STATISTICAL REPORT ON NUMBER AND TOTAL DOLLAR VALUE OF CONTRIBUTIONS RECEIVED IN EXCESS OF $100 BY EACH REGISTERED POLITICAL PARTY AND ITS ASSOCIATIONS FOR THE ANNUAL REPORTING PERIOD IN THE CALENDAR YEAR 1983

CONTRIBUTIONS BY CORPORATIONS	PROGRESSIVE CONSERVATIVE		LIBERAL		NEW DEMOCRATS		COMMUNIST		LIBERTARIAN		NORTHERN ONTARIO HERITAGE		UNPARTY		TOTALS	
	No.	Amount $	No.	Amount $	No.	Amount $	No.	Amount $	No.	Amount $	No.	Amount $	No.	Amount $	No.	Amount $
Political Party	2,025	1,213,720	612	388,688	7	1,850	-	-	1	1,100	-	-	2	2,200	2,647	1,607,558
Riding Associations	2,023	603,872	303	93,016	12	2,524	-	-	-	-	-	-	-	-	2,338	699,412
Total	4,048	1,817,592	915	481,704	19	4,374	-	-	1	1,100	-	-	2	2,200	4,985	2,306,970
CONTRIBUTIONS BY UNIONS																
Political Party	1	2,000	-	-	12	8,746	-	-	-	-	-	-	-	-	13	10,746
Riding Associations	-	-	-	-	16	5,585	-	-	-	-	-	-	-	-	16	5,585
Total	1	2,000	-	-	28	14,331	-	-	-	-	-	-	-	-	29	16,331
CONTRIBUTIONS BY PERSONS																
Political Party	3,390	867,720	833	209,429	3,904	646,290	62	24,682	61	19,900	-	-	16	5,303	8,266	1,773,324
Riding Associations	2,493	531,872	869	184,548	302	79,092	32	8,933	4	1,195	-	-	2	260	3,702	805,900
Total	5,883	1,399,592	1,702	393,977	4,206	725,382	94	33,615	65	21,095	-	-	18	5,563	11,968	2,579,224
Grand Total	9,932	3,219,184	2,617	875,681	4,253	744,087	94	33,615	66	22,195	-	-	20	7,763	16,982	4,902,525
No. of Registered Constituency Associations at Dec.31/83		125		125		125		24		10		-		5		

FINANCIAL DATA EXTRACTED FROM REGISTERED POLITICAL PARTY CAMPAIGN RETURNS FILED WITH THE COMMISSION FOR THE DECEMBER 15th, 1983 BY-ELECTION IN THE ELECTORAL DISTRICT OF STORMONT, DUNDAS AND GLENGARRY

STATEMENT OF RECEIPTS & EXPENSES	PROGRESSIVE CONSERVATIVE PARTY $	ONTARIO LIBERAL PARTY $	NEW DEMOCRATIC PARTY $
Receipts			
Net Contributions	-	29,050	-
Transfers from Constituency Associations and Others	-	300	-
Other Receipts	-	-	779
	-	29,350	779
Expenses			
Expenses excluding transfers paid out to candidates and constituency associations	43,706	6,020	524
Transfers paid out	-	2,000	5,750
Total	43,706	8,020	6,274
SURPLUS(DEFICIT) FOR THE CAMPAIGN PERIOD	(43,706)	21,330	(5,495)

Note: Section 43(2) of the Act provides that the requirement for a political party to file a statement of receipts and expenses in relation to a by-election does not apply if the party did not receive contributions or made expenditures in relation to such by-election.

The Commission received declarations that no contributions were received or expenditures made from the Communist Party of Canada (Ontario), the Ontario Libertarian Party, the Northern Ontario Heritage Party and the Freedom Party of Ontario in relation to the Stormont, Dundas and Glengarry By-election.

SUMMARY OF CANDIDATES' RECEIPTS, EXPENSES AND SUBSIDY FOR THE STORMONT-DUNDAS-GLENGARRY BY-ELECTION

ELECTORAL DISTRICT	PARTY	CANDIDATE	CAMPAIGN RECEIPTS BEFORE SUBSIDY	CAMPAIGN EXPENSES	SUBSIDY *PAID TO CANDIDATE & C.F.O.	SUBSIDY PAID TO AUDITOR	REVISED LIST OF ELIGIBLE VOTERS	BALLOT COUNT	VOTES CAST OR POPULAR VOTE	BALLOT COUNT REQUIRED TO QUALIFY FOR SUBSIDY 15%
			$	$	$	$				
Stormont-Dundas - Glengarry	PC	Noble Villeneuve	44,053	42,986	5,316	500	34,406	12,197	20,983	3,184
	Lib.	Johnny Whitteker	21,535	22,973	5,316	500		8,062		
	NDP	Rudi Derstroff	12,953	12,918	-	500		627		
	IND	John Turmel	115	115	-	275		97		

Polling Day December 15, 1983.

*Section 45(5) Any surplus determined by taking into account in the financial statement of an official candidate for a registered party the moneys paid to the candidate's chief financial officer under this Section, shall be paid over to one or more registered parties or registered constituency associations.

Appendix "H"

HISTORICAL REVIEW OF PROVINCIAL ELECTION ACTIVITY SINCE THE ELECTION FINANCES REFORM ACT CAME INTO FORCE

Year	Date Writ For Election Issued	Polling Day	Campaign Period Section 1(1)(c) From	To	Commercial Advertising Activity Period Section 38(1) From	To (see note)	Filing Due Date For Financial Statement Section 43(1)
1975 General Provincial Election	Aug. 11/75	Sept.18/75	Aug. 11/75	Jan.18/76	Aug. 27/75	Sept. 16/75	Mar. 18/76
1977 General Provincial Election	Apr. 29/77	June 9/77	Apr. 29/77	Oct. 9/77	May 18/77	June 7/77	Dec. 9/77
1978 By-elections:-							
Chatham-Kent	Sept.11/78	Oct. 19/78	Sept.11/78	Feb.19/79	Sept. 27/78	Oct. 17/78	Apr. 19/79
Sault Ste. Marie	Oct. 30/78	Dec. 14/78	Oct. 30/78	Apr.14/79	Nov. 22/78	Dec. 12/78	June 14/79
1979 By-elections:-							
Scarborough West & Wentworth	Feb. 19/79	Apr. 5/79	Feb. 19/79	Aug. 5/79	Mar. 14/79	Apr. 3/79	Oct. 5/79
1980 By-election:-							
Carleton	Oct. 6/80	Nov. 20/80	Oct. 6/80	Mar.20/81	Oct. 29/80	Nov. 18/80	May 20/81
1981 General Provincial Election	Feb. 2/81	Mar. 19/81	Feb. 2/81	July 19/81	Feb. 25/81	Mar. 17/81	Sept.19/81
1982 By-elections:-							
Hamilton West	May 10/82	June 17/82	May 10/82	Oct. 17/82	May 26/82	June 15/82	Dec. 17/82
York South	Sept.27/82	Nov. 4/82	Sept.27/82	Mar. 4/83	Oct. 13/82	Nov. 2/82	May 4/83
1983 By-election:-							
Stormont,Dundas & Glengarry	Oct. 31/83	Dec. 15/83	Oct. 31/83	Apr. 15/84	Nov. 23/83	Dec. 13/83	June 15/84
1984 By-elections:-							
Hamilton Centre							
Ottawa Centre							
Ottawa East							
Prescott & Russell							
& Wentworth North	Oct. 29/84	Dec. 13/84	Oct. 29/84	Apr. 13/85	Nov. 21/84	Dec. 11/84	June 13/85

NOTE: Pursuant to section 38(3) the expiry date for cessation of commercial advertising is extended by one further day for newspapers which are published in Ontario not more frequently than once a week and whose day of regular publication falls on the day before polling day.

COMMISSION MEMBERS

PRESENT MEMBERS AND DATE OF APPOINTMENT

Progressive Conservative Party of Ontario

- H. Donald Guthrie, Q.C. — May 8/80
- Ronald E. Sobier, Q.C. (reappointed May 8/80) — Feb. 14/79

Ontario Liberal Party

- Waldemar Zimmerman — May 8/80
- (Mrs.) Barbara Sullivan (reappointed May 8/80) — Jul. 18/79

New Democratic Party of Ontario

- William F. Scandlan (reappointed May 8/80) — Mar. 8/78
- (Mrs.) Penny Dickens — Feb. 9/84

Bencher of the Law Society of Upper Canada

- (Mrs.) Laura Legge, Q.C. — Nov. 20/80

Chief Election Officer

- Warren R. Baillie — Apr. 2/82

CHAIRMAN - Gordon H. Aiken, Q.C.
Appointed April 5/83

VICE-CHAIRMAN - Ronald E. Sobier, Q.C.
Appointed May 7/84

PRIOR APPOINTMENTS AND TIME SERVED AS MEMBERS

Edward J. Kowal	May 8/75 - Apr.30/80
(Mrs.) Elizabeth Dreger (deceased)	May 8/75 - Jan.27/79
Harold W. Young	May 8/75 - Apr.30/80
Robert J. Wright, Q.C.	Jan. 14/76 - Jul.18/79
D. Gordon Blair, Q.C.	May 8/75 - Dec.31/75
F. Stewart Cooke	May 8/75 - Feb.15/78
Martin L. Levinson	Aug. 20/81 - Jan.17/84
Bernard L. Eastman, Q.C.	Jan. 17/79 - Jul.24/81
Kenneth Bryden	May 8/75 - Nov. 9/78
J. Roderick Barr, Q.C.	June 20/79 - Nov.20/80
John C. Pallett, Q.C.	May 8/75 - Apr.30/79
Roderick G. Lewis, Q.C.	May 8/75 - Apr. 2/82
James A.C. Auld (deceased)	June 1/82 - June 30/82
Arthur A. Wishart, Q.C.	May 8/75 - May 31/82
(Mrs.) Barbara Sullivan	May 8/82 - May 7/84
William Scandlan	May 28/80 - May 7/82
Harold W. Young	Feb. 15/78 - Feb. 14/80
F. Stewart Cooke	Jan. 7/76 - Jan. 6/78
D. Gordon Blair	May 15/75 - Dec. 31/75